



# **Financial Management**





## Department Description

The Financial Management Department provides fiscal services to the Mayor and serves as an internal fiscal consultant to other City departments. Financial Management prepares the proposed and annual budgets in accordance with the City Charter each year. During the fiscal year, Financial Management monitors the City's expenditures and revenue receipts, oversees budget transfers and adjustments, and reviews requests for City Council and Mayoral Actions for both the operating budget and the Capital Improvements Program. In addition, the Department develops and updates the Mayor's Five-Year Financial Outlook.

The Department's mission is:

*To develop and monitor the City's annual budget and comprehensive long-range financial forecast through a collective effort; to provide sound fiscal analysis of operating and capital revenues and expenditures; to provide superior customer service; and to adhere to the highest professional standards*

## Goals and Objectives

The following goals and objectives represent the action plan for the Department.

### ***Goal 1: Produce a balanced annual budget***

Having a balanced annual budget is mandated by City law. A budget is considered balanced when revenues and expenditures equal one another. The Department will accomplish this goal by focusing on the following objectives.

- Implement a more efficient budget development application
- Publish the City's Proposed and Annual Budget

### ***Goal 2: Provide long-range fiscal planning***

The purpose of long-range fiscal planning is to enable effective decision-making and to identify the City's future fiscal requirements to support City services. The Department will accomplish this goal by focusing on the following objectives.

- Analyze actual revenue receipts and economic trends to forecast major revenues
- Forecast expenditure trends in City departments

### ***Goal 3: Monitor spending City-wide***

Budget monitoring is an essential business practice to identify variances in the spending plan and to control overspending. The Department will accomplish this goal by focusing on the following objective.

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- Adjust budgets throughout the year to accommodate unforeseen changes in revenues and expenditures

## ***Goal 4: Provide superior customer service***

Providing excellent customer service is a goal of every City department whether the customer is a resident, visitor, outside agency, or a City employee from another department. The Department will accomplish this goal by focusing on the following objective.

- Provide internal training
- Provide accurate and timely fiscal analysis and review and consultation for Council and Mayoral actions

## ***Goal 5: Build a sustainable organization through learning and continuous improvement***

A key part of building a sustainable organization is to develop a trained workforce and high performing teams. Over the next one to two years, the Department will accomplish this goal by focusing on the following objective.

- Support professional growth and development

## ***Goal 6: Promote the highest ethical standards***

Adhering to a stringent ethical standard is the cornerstone of any governmental organization. City residents must be assured that their interests are always the primary concern of department staff. The Department will accomplish this goal by focusing on the following objective.

- Provide ethics training for management and staff
- Regularly review staff conduct to ensure compliance with the Department's ethics policy

# Service Efforts and Accomplishments

In Fiscal Year 2007, the Department developed and administered a balanced budget of over \$2.9 billion; the Department oversees administration for the City's Capital Improvement Program as well as the General Fund.

In addition to fulfilling its core responsibility of creating and administering the City's Proposed and Annual budgets, the Department established period-to-date budgets for each of the City's departments while benchmarking actual expenditures and revenues. The Department routinely compares actual results to budgeted projections on a quarterly basis. The Financial Management staff subsequently incorporates this actuals data and accompanying relevant analysis into a mid-year report to the City Council along with any recommendations regarding the adjustment of budgetary allocations.

The Department also processes Council and Mayoral actions in order to determine any financial impact to the City; in Fiscal Year 2007, Financial Management staff reviewed over 1,000 actions.

Beginning in Fiscal Year 2007, the Department began developing the Mayor's Five-Year Financial Outlook. The first edition of this report, covering Fiscal Years 2008 through 2012, was issued to the City Council in November 2007; the second edition was delivered in January 2008. The Department will continue to issue yearly updated editions of the Financial Outlook at the beginning of each budget cycle.

# Budget Dollars at Work: Performance Expectations

## **Goal 1: To produce a balanced annual budget**

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of budget adjusted in May Revise	0.4%	0.4%	Less than 1.0%
2. Percent of General Fund operating expenditure budget adjusted through the year	2.9%	2.1%	Less than 3.0%
3. Percent reduction in staff time required to calculate and print the Final Budget with new budgeting system	N/A	N/A	5.0%

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## Goal 2: To provide long-range fiscal planning

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent variance between projected and annual budgeted revenue	0.1%	0.4%	Less than 3%
2. Percent of significant expenditures included in the Five-Year Financial Outlook that were also included in the budget	88.0%	98.7%	100%

## Goal 3: To monitor spending citywide

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent variance between actual General Fund revenue and revised budget at year-end	1.3%	Less than 3%	Less than 3%
2. Percent variance between actual General Fund expenditures and revised budget at year-end	2.8%	Less than 3%	Less than 3%

## Goal 4: To provide superior customer service

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of Council and Mayoral actions reviewed within four days	69.9%	75%	80.0%

## Goal 5: To build a sustainable organization through learning and continuous improvement

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of staff compliant with the Department's training policy	60%	73%	100%

## Goal 6: To promote the highest ethical standards

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of management and staff compliant with the Department's ethics training policy	100%	100%	100%
2. Percent of staff subject to an annual review of ethical standards by Department management	70%	100%	100%
3. Percent of staff having participated in at least one annual internal ethics training session	70%	100%	100%

## Budget Dollars at Work: Sizing and Workload Data

	FY2005	FY2006	FY2007	Estimate FY2008	Proposed FY2009
Number of Council and Mayoral actions reviewed to assess the financial impact to the City	N/A	N/A	over 1,000 annually	(not yet available)	(not yet available)
Size of budget developed and administered <sup>1</sup>	\$2.6B	\$2.5B	\$2.6B	\$2.9B	(not yet available)

<sup>1</sup> Includes the City-wide operating budget and Capital Improvements Program



# Financial Management

## Department Summary

Financial Management				
	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED	FY 2008-2009 CHANGE
Positions	33.00	30.00	31.00	1.00
Personnel Expense	\$ 2,933,575	\$ 3,178,179	\$ 3,390,213	\$ 212,034
Non-Personnel Expense	\$ 1,118,999	\$ 939,598	\$ 891,531	\$ (48,067)
TOTAL	\$ 4,052,574	\$ 4,117,777	\$ 4,281,744	\$ 163,967

## Department Staffing

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>GENERAL FUND</b>			
<b>Financial Management</b>			
Annual Budget Development	9.00	11.00	12.00
Citywide Support	8.65	0.00	0.00
Current Year Monitoring	9.10	9.00	9.00
Internal Operations	2.25	0.00	0.00
Management	2.00	3.00	3.00
Pension Unit	2.00	0.00	0.00
Revenue and Forecasting	0.00	7.00	7.00
<b>Total</b>	<b>33.00</b>	<b>30.00</b>	<b>31.00</b>

## Department Expenditures

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>GENERAL FUND</b>			
<b>Financial Management</b>			
Annual Budget Development	\$ 929,441	\$ 1,926,490	\$ 1,583,823
Citywide Support	\$ 1,865,106	\$ -	\$ -
Current Year Monitoring	\$ 914,433	\$ 1,016,831	\$ 1,023,370
Financial Management	\$ (317,028)	\$ (3,986)	\$ 493,250
Internal Operations	\$ 152,770	\$ -	\$ -
Management	\$ 303,756	\$ 391,275	\$ 385,056
Pension Unit	\$ 204,096	\$ -	\$ -
Revenue and Forecasting	\$ -	\$ 787,167	\$ 796,245
<b>Total</b>	<b>\$ 4,052,574</b>	<b>\$ 4,117,777</b>	<b>\$ 4,281,744</b>

# Financial Management

## Significant Budget Adjustments

### GENERAL FUND

Financial Management	Positions	Cost	Revenue
<b>Salary and Benefit Adjustments</b>	0.00 \$	115,927 \$	0
Adjustments to reflect the annualization of the Fiscal Year 2008 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and other benefit compensation.			
<b>Support for Information Technology</b>	0.00 \$	682,231 \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
<b>Funding for the Enterprise Resource Planning (ERP) Limited Positions</b>	1.00 \$	96,107 \$	96,804
Addition of 1.00 limited Associate Management Analyst and associated revenue to backfill FTE assigned to the Enterprise Resource Planning (ERP) project implementation.			
<b>Revised Revenue</b>	0.00 \$	0 \$	(102,658)
Adjustment to reflect Fiscal Year 2009 revenue projections.			
<b>Savings from the Five-Year Financial Outlook</b>	0.00 \$	(50,611) \$	0
Adjustments to personnel and non-personnel expenses, and revenue as a result of budget reductions discussed in the City's Five-Year Financial Outlook. These reductions are further described in Volume I, "Budget Overview and Schedules".			
<b>Non-Discretionary</b>	0.00 \$	(679,687) \$	541,980
Adjustments to expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.			

## Expenditures by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>PERSONNEL</b>			
Salaries & Wages	\$ 1,984,912	\$ 2,123,633	\$ 2,290,787
Fringe Benefits	\$ 948,663	\$ 1,054,546	\$ 1,099,426
<b>SUBTOTAL PERSONNEL</b>	\$ 2,933,575	\$ 3,178,179	\$ 3,390,213
<b>NON-PERSONNEL</b>			
Supplies & Services	\$ 945,738	\$ 918,395	\$ 181,211
Information Technology	\$ 135,870	\$ 725	\$ 682,750
Energy/Utilities	\$ 37,391	\$ 20,478	\$ 27,570
<b>SUBTOTAL NON-PERSONNEL</b>	\$ 1,118,999	\$ 939,598	\$ 891,531
<b>TOTAL</b>	\$ 4,052,574	\$ 4,117,777	\$ 4,281,744



# Financial Management

## Revenues by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>GENERAL FUND</b>			
Charges for Current Services	\$ 883,524	\$ 116,658	\$ <b>110,804</b>
Transfers from Other Funds	\$ 115,000	\$ -	\$ <b>541,980</b>
<b>TOTAL</b>	\$ 998,524	\$ 116,658	\$ <b>652,784</b>

## Salary Schedule

### GENERAL FUND

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<i>Class</i>	<i>Position Title</i>	<i>FY 2008 Positions</i>	<i>FY 2009 Positions</i>	<i>Salary</i>	<i>Total</i>
1106	Sr Management Analyst	8.00	<b>7.00</b>	\$ 71,272	\$ 498,907
1218	Assoc Management Analyst	13.00	<b>15.00</b>	\$ 64,335	\$ 965,025
1235	Multimedia Production Coordinator	1.00	<b>0.00</b>	\$ -	\$ -
1348	Info Systems Analyst II	1.00	<b>0.00</b>	\$ -	\$ -
1648	Payroll Specialist II	1.00	<b>1.00</b>	\$ 41,507	\$ 41,507
1876	Executive Secretary	1.00	<b>1.00</b>	\$ 52,009	\$ 52,009
1917	Supv Management Analyst	0.00	<b>2.00</b>	\$ 80,127	\$ 160,254
1923	Supv Economist	1.00	<b>1.00</b>	\$ 78,079	\$ 78,079
2132	Department Director	1.00	<b>1.00</b>	\$ 145,000	\$ 145,000
2217	Financial Operations Manager	3.00	<b>3.00</b>	\$ 90,002	\$ 270,006
	Overtime Budgeted	0.00	<b>0.00</b>	\$ -	\$ 80,000
	<b>Total</b>	<b>30.00</b>	<b>31.00</b>	<b>\$</b>	<b>2,290,787</b>
<b>FINANCIAL MANAGEMENT TOTAL</b>		<b>30.00</b>	<b>31.00</b>	<b>\$</b>	<b>2,290,787</b>